

BROWN & BROWN, INC.  
 Form 424B2  
 March 06, 2019  
 Filed Pursuant to Rule 424(b)(2)  
 Registration File No. 333-221494

**CALCULATION OF REGISTRATION FEE**

Title of each class of	Amount to be	Proposed maximum offering price	Proposed maximum aggregate offering price	Amount of registration fee
<b>securities to be registered</b>	<b>registered</b>	<b>per unit (1)</b>		
4.500% Senior Notes due 2029	\$ 350,000,000	99.840%	\$ 349,440,000	\$ 42,352.13

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

**Prospectus Supplement**  
**March 4, 2019**  
**(To Prospectus Dated November 9, 2017)**

**Brown & Brown, Inc.**  
**\$350,000,000 4.500% Senior Notes due 2029**

We will pay interest on the 4.500% Senior Notes due 2029 (the “notes”) semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2019. Unless previously redeemed, the notes will mature on March 15, 2029. At our option, we may redeem the notes, in whole or in part at any time and from time to time, before their maturity at the redemption prices described herein under “Description of the Notes—Optional Redemption.”

The notes will be our senior unsecured obligations and will rank equally in right of payment with all our other senior indebtedness from time to time outstanding.

**Investing in the notes involves risks. See “Risk Factors” beginning on page S-3 of this prospectus supplement and page 3 of the accompanying prospectus.**

	Per Note	Total
Public offering price(1)	99.840%	\$349,440,000
Underwriting discount	0.650%	\$2,275,000
Proceeds to the Company (before expenses)	99.190%	\$347,165,000

(1) Plus accrued interest, if any, from March 11, 2019, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the notes through the book-entry delivery system of The Depository Trust Company for the accounts of its participants, including Euroclear Bank SA/NV, as operator of the Euroclear System, and Clearstream Banking, S.A., on or about March 11, 2019.

---

*Joint Book Running Managers*

**J.P. Morgan**

**BofA Merrill Lynch**

**SunTrust Robinson Humphrey**

**BMO Capital Markets**

**RBC Capital Markets**

**US Bancorp**

**Wells Fargo Securities**

*Co-Managers*

**Capital One Securities**

**Fifth Third Securities**

**PNC Capital Markets LLC**

---

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus filed by us with the Securities and Exchange Commission (“SEC”). We and the underwriters have not authorized any other person to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference herein or therein is accurate as of any date other than the date on the front of the applicable document. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted or in which the person making such offer or sale is not qualified to do so or to any person to whom it is unlawful to make that offer or solicitation.

**TABLE OF CONTENTS**

**Prospectus supplement**

		<b>Page</b>
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	<u>iii</u>	
<u>MARKET AND INDUSTRY INFORMATION</u>	<u>iv</u>	
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	<u>iv</u>	
<u>INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>iv</u>	
<u>SUMMARY</u>	<u>S-1</u>	
<u>RISK FACTORS</u>	<u>S-3</u>	
<u>USE OF PROCEEDS</u>	<u>S-6</u>	
<u>CAPITALIZATION</u>	<u>S-7</u>	
<u>SELECTED CONSOLIDATED FINANCIAL DATA</u>	<u>S-8</u>	
<u>DESCRIPTION OF NOTES</u>	<u>S-9</u>	
<u>CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	<u>S-20</u>	
<u>UNDERWRITING (CONFLICTS OF INTEREST)</u>	<u>S-25</u>	
<u>LEGAL MATTERS</u>	<u>S-30</u>	
<u>EXPERTS</u>	<u>S-30</u>	
<u>AVAILABLE INFORMATION</u>		<u>S-30</u>

**Prospectus**

		<b>Page</b>
ABOUT THIS PROSPECTUS	1	
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS	1	
BROWN & BROWN, INC.	3	
RISK FACTORS	3	
RECENT DEVELOPMENTS	4	
ii		

	<b>Page</b>
USE OF PROCEEDS	4
RATIO OF EARNINGS TO FIXED CHARGES	5
DESCRIPTION OF DEBT SECURITIES	5
DESCRIPTION OF CAPITAL STOCK	8
DESCRIPTION OF WARRANTS	9
PLAN OF DISTRIBUTION	10
LEGAL MATTERS	10
EXPERTS	10
WHERE YOU CAN FIND MORE INFORMATION	10
INCORPORATION BY REFERENCE	11

---

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are currently offering and certain other matters relating to us and our business and financial condition. The second part is the accompanying prospectus dated November 9, 2017, which gives more general information about the securities that we may offer from time to time, some of which does not apply to the notes that we are currently offering. You should read this prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference and the additional information described in this prospectus supplement under the heading “Incorporation of Certain Documents by Reference.”

If the description of the offering or any terms of the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement in the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in the accompanying prospectus or this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus. See “Incorporation of Certain Documents by Reference” in this prospectus supplement.

When used in this prospectus supplement and the accompanying prospectus, the terms “Brown & Brown,” “we,” “our,” “us” and the “Company” refer to Brown & Brown, Inc. and its subsidiaries, unless otherwise indicated or the context suggests otherwise.

## MARKET AND INDUSTRY INFORMATION

Market data and certain industry forecasts used throughout this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in the prospectus supplement and the accompanying prospectus were obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly-available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, estimates and market research, while believed to be reliable, have not been independently verified.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The information incorporated by reference is considered to be a part of this prospectus supplement, and any later information that we file with the Securities and Exchange Commission (“SEC”) will automatically update and supersede this information. The documents and other information incorporated by reference are:

Annual Report on Form 10-K for the year ended December 31, 2018;

The proxy statement related to the annual meeting of shareholders held on May 2, 2018, as filed with the SEC on March 19, 2018;

Current Report on Form 8-K filed with the SEC on February 26, 2019; and

All documents filed by the Company under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), after the date of this prospectus supplement and before the termination of this offering (other than any information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K, unless we specifically state in such Current Report that such information is to be considered “filed” under the Exchange Act, or we incorporate it by reference into a filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act).

Notwithstanding the foregoing, we are not incorporating any document or information that we deemed within a Current Report on Form 8-K or Form 8-K/A to have been furnished and not filed in accordance with SEC rules. You can obtain any of the documents incorporated by reference in this prospectus supplement or the accompanying prospectus from the SEC through the SEC’s website at <http://www.sec.gov>. Documents incorporated by reference are also available from us without charge, excluding any exhibits to those documents. You can request those documents by calling (386) 252-9601 or by making a written request to our General Counsel at:

Brown & Brown, Inc.  
Attention: Robert W. Lloyd, Executive Vice President, Secretary and General Counsel  
220 South Ridgewood Avenue  
Daytona Beach, Florida 32114

Please note that information contained on our website, whether currently posted or posted in the future, is not a part of this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein.

## INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

We make “forward-looking statements” within the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995, as amended, throughout this prospectus supplement, the accompanying prospectus and in the documents we incorporate by reference into this prospectus supplement and the accompanying prospectus. You can identify these statements by forward-looking words such as “may,” “will,” “should,” “expect,” “anticipate,” “believe,” “intend,” “estimate,” “plan” and “continue” or similar words. We have based these statements on our current expectations about potential future events. Although we believe the expectations expressed in the forward-looking statements included in this prospectus supplement and the accompanying prospectus and those reports, statements, information and announcements incorporated by reference into this prospectus supplement and the accompanying prospectus are based on reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. Many of these factors have previously been identified in filings or statements made by us or on our behalf. Important factors which could cause our actual results to differ materially from the forward-looking statements in this prospectus include the following items:

future prospects;

premium rates set by insurance companies and insurable exposure units, which have traditionally varied and are difficult to predict;

material adverse changes in economic conditions in the markets we serve and in the general economy;

future regulatory actions and conditions in the states in which we conduct our business;

the occurrence of adverse economic conditions, an adverse regulatory climate, or a disaster in Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Texas, Virginia, Washington and Wisconsin, because a significant portion of business written by us is for customers located in these states;

our ability to attract, retain and enhance qualified personnel and to maintain our corporate culture;

competition from others in or entering into the insurance agency, wholesale brokerage, insurance programs and related service business;

disintermediation within the insurance industry, including increased competition from insurance companies, technology companies and the financial services industry, as well as the shift away from traditional insurance markets;

the integration of our operations with those of businesses or assets we have acquired, including our November 2018 acquisition of The Hays Group, Inc. and certain of its affiliates, or may acquire in the future and the failure to realize the expected benefits of such integration;

risks that could negatively affect our acquisition strategy, including continuing consolidation among insurance intermediaries and the increasing presence of private equity investors driving up valuations;

our ability to forecast liquidity needs through at least the end of 2019;

our ability to renew or replace expiring leases;

outcomes of existing or future legal proceedings and governmental investigations;

policy cancellations and renewal terms, which can be unpredictable;

potential changes to the tax rate that would affect the value of deferred tax assets and liabilities and the impact on income available for investment or distribution to shareholders;

the inherent uncertainty in making estimates, judgments and assumptions in the preparation of financial statements in accordance with generally accepted accounting principles in the United States of America;

our ability to effectively utilize technology to provide improved value for our customers or carrier partners as well as applying effective internal controls and efficiencies in operations; and

other risks and uncertainties as may be detailed from time to time in our public announcements and SEC filings.

For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" section contained herein and in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

Assumptions as to any of the foregoing and all statements are not based on historical fact, but rather reflect our current expectations concerning future results and events. Forward-looking statements that we make or that are made by others on our behalf are based on a knowledge of our business and the environment in which we operate, but because of the factors listed above, among others, actual results may differ from those in the forward-looking statements. Consequently, these cautionary statements qualify all of the forward-looking statements we make herein. We cannot assure you that the results or developments anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business or our operations in the way we expect. We caution readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. We assume no obligation to update any of the forward-looking statements.

v

---

## SUMMARY

*This summary does not contain all of the information that you should consider before investing in the notes. To understand this offering fully, you should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and accompanying prospectus.*

### The Company

We are a diversified insurance agency, wholesale brokerage, insurance programs and services organization headquartered in Daytona Beach, Florida, that markets and sells to our customers insurance products and services.

As an insurance intermediary, our principal sources of revenue are commissions paid by insurance companies and, to a lesser extent, fees paid directly by customers. Commission revenues generally represent a percentage of the premium paid by an insured and are affected by fluctuations in both premium rate levels charged by insurance companies and the insureds' underlying "insurable exposure units," which are units that insurance companies use to measure or express insurance exposed to risk (such as property values, or sales and payroll levels) to determine what premium to charge the insured. Insurance companies establish these premium rates based upon many factors, including loss experience, risk profile and reinsurance rates paid by such insurance companies, none of which we control.

The volume of business from new and existing customers, fluctuations in insurable exposure units, changes in premium rate levels, changes in general economic and competitive conditions, and the occurrence of catastrophic weather events all affect our revenues. For example, level rates of inflation or a general decline in economic activity could limit increases in the values of insurable exposure units. Conversely, the increasing costs of litigation settlements and awards could cause some customers to seek higher levels of insurance coverage. Historically, our revenues have typically grown as a result of our focus on net new business growth and acquisitions.

Our business is divided into four reportable segments:

our Retail Segment, which provides a broad range of insurance products and services to commercial, public and quasi-public entities and to professional and individual customers;

our National Programs Segment, acting as a managing general agent, which provides professional liability and related package products for certain professionals, a range of insurance products for individuals, flood coverage and targeted products and services designated for specific industries, trade groups, governmental entities and market niches, all of which are delivered through nationwide networks of independent agents, including Brown & Brown retail agents;

our Wholesale Brokerage Segment, which markets and sells excess and surplus commercial and personal lines insurance, primarily through independent agents and brokers, including Brown & Brown retail agents; and

our Services Segment, which provides insurance-related services, including third-party claims administration and comprehensive medical utilization management services in both the workers' compensation and all-lines liability arenas, as well as Medicare set-aside services, Social Security disability and Medicare benefits advocacy services and claims adjusting services.

S-1

---



## The Offering

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to "Description of Notes."

<b>Issuer</b>	Brown & Brown, Inc.
<b>Notes Offered</b>	\$350,000,000 aggregate principal amount of 4.500% Senior Notes due 2029.
<b>Maturity</b>	The notes will mature on March 15, 2029, unless earlier redeemed or repurchased.
<b>Interest</b>	The notes will bear interest at 4.500% per year. Interest will be payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2019.
<b>Ranking</b>	<p>The notes will be senior unsecured obligations of Brown &amp; Brown, Inc. and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding.</p> <p>As of December 31, 2018, we had \$1,507.0 million of outstanding senior unsecured indebtedness for borrowed money, and our subsidiaries had no indebtedness for borrowed money outstanding.</p>
<b>Optional Redemption</b>	We may, at our option, redeem the notes in whole or in part at any time and from time to time, before their maturity at the redemption prices described under "Description of Notes—Optional Redemption."
<b>Covenants</b>	The notes and the indenture (as defined in this prospectus supplement) governing the notes contain certain covenants applicable to us. See "Description of Notes—Certain Covenants."
<b>Additional Notes</b>	We may, without the consent of the noteholders, issue additional notes having the same ranking and the same interest rate, maturity and other terms (other than the issue date and public offering price) as the notes offered by this prospectus supplement; provided, however, such additional notes must be fungible with the notes offered by this prospectus supplement for U.S. federal income tax purposes. Any such additional notes will be a part of the series having the same terms as the notes.
<b>Sinking Fund</b>	None.
<b>Use of Proceeds</b>	We estimate that the net proceeds from this offering will be approximately \$346.3 million, after deducting underwriting discounts and our

estimated offering expenses. We intend to use the net proceeds from this offering (i) to repay a portion of the outstanding borrowings under our Credit Facility (as defined herein) and (ii) for general corporate purposes. See “Use of Proceeds.” Certain of the underwriters or their affiliates are lenders under the Credit Facility and will receive all or a portion of the net proceeds that we receive from this offering. See “Underwriting (Conflicts of Interest)—Conflicts of Interest.”

**Listing**

We do not intend to list the notes on any securities exchange. The notes will be new securities for which there is currently no public market.

**Governing Law**

The notes and the indenture governing the notes will be governed by the laws of the State of New York.

**Trustee**

U.S. Bank National Association

**Risk Factors**

Investing in the notes involves risk. See “Risk Factors” beginning on page S-3 of this prospectus supplement and page 3 of the accompanying prospectus for a discussion of factors you should consider carefully before deciding to invest in the notes.

## RISK FACTORS

Investing in the notes involves risk. In deciding whether to invest in the notes, you should carefully consider the risks described below in addition to the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Our business, results of operations and financial condition may be materially adversely affected due to any of the risks described below. In addition, we may face risks that are not described below or incorporated by reference in this prospectus supplement because we are either not presently aware of them or we currently believe that they are immaterial. Such risks may be harmful to our business and the value of the notes.

### Risks Related to the Notes

*We may not be able to generate sufficient cash flow to service our obligations under the notes.*

Our ability to service our obligations under the notes will depend upon, among other things, our revenues from commissions and fees and other factors that affect our future financial and operating performance, including, without limitation, prevailing economic conditions and financial, business and regulatory factors, many of which are beyond our control.

If we are unable to generate sufficient cash flow to service our obligations under the notes, we may be forced to take actions such as:

- seeking to restructure or refinance our debt, including the notes;
- seeking additional debt or equity capital;
- seeking bankruptcy protection;
- reducing distributions if we make any in the future;
- reducing or delaying our business activities, acquisitions, investments or capital expenditures; or
- selling assets.

Such measures might not be successful and might not enable us to service our obligations under the notes. In addition, any such financing, refinancing or sale of assets might not be available on economically favorable terms or at all.

*If we fail to comply with the covenants contained in certain of our agreements, our liquidity, results of operations and financial condition may be adversely affected.*

On June 28, 2017, we entered into an amended and restated credit agreement with JPMorgan Chase Bank, N.A. as administrative agent and certain other banks as co-syndication agents and co-documentation agents, in the aggregate amount of \$1,200 million (the "Credit Facility"). The Credit Facility provides for an unsecured revolving credit facility in the initial amount of \$800 million and unsecured term loans in the initial amount of \$400 million. The Credit Facility matures on June 28, 2022, but either or both of the revolving credit facility and/or the term loans under the Credit Facility may be extended for two additional one-year periods at our request, subject to the approval of the respective lenders and certain other conditions. As of December 31, 2018, we had \$365 million outstanding under the Credit Facility, consisting of outstanding term loans. As of December 31, 2018, we had \$350 million outstanding under the revolving portion of the Credit Facility, which was incurred in November 2018 in connection with the closing of our acquisition of The Hays Group, Inc.

On December 21, 2018, we entered into a term loan credit agreement with Wells Fargo Bank, National Association, as administrative agent, Bank of America, N.A., BMO Harris Bank N.A. and SunTrust Bank as co-syndication agents, and Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, BMO Capital Markets Corp. and SunTrust Robinson Humphrey, Inc. as joint lead arrangers and joint bookrunners (the "Term Loan Facility"). The Term Loan Facility provides for an unsecured term loan in the initial amount of \$300 million, which may, subject to lenders' discretion, potentially be increased up to an aggregate amount of \$450 million (the "Term Loan"). The Term Loan is repayable over the five-year term from the effective date of the Term Loan Facility, which was December 21, 2018. Based on our net debt leverage ratio or a non-credit enhanced senior unsecured long-term debt rating as determined by Moody's Investor Service and Standard & Poor's Rating Service, the current rate of interest on the Term Loan is 1.25% above the adjusted 1-Month London Interbank Offered Rate ("LIBOR"). We borrowed \$300 million under the Term Loan Facility on December 21, 2018 and used \$250 million of the borrowings to reduce indebtedness under the Credit Facility. As of December 31, 2018, we had \$300 million of borrowings outstanding under the Term Loan Facility.

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

Each of the Credit Agreements contains various covenants and other limitations with which we must comply. At December 31, 2018, we were in compliance with the financial covenants and other limitations contained in each of the Credit Agreements. However, failure to comply with material provisions of our covenants in these Credit Agreements or other credit or similar agreements to which we may become a party could result in a default, rendering them unavailable to us and causing a material adverse effect on our liquidity, results of operations and financial condition. In the event of certain defaults under the Credit Agreements, the lenders thereunder would not be required to lend any additional amounts to or purchase any additional notes from us and could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable. If the indebtedness under the Credit Agreements or our other indebtedness, including the notes, were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full.

***Certain of our agreements contain various covenants that limit the discretion of our management in operating our business and could prevent us from engaging in certain potentially beneficial activities.***

The restrictive covenants in the Credit Agreements may impact how we operate our business and prevent us from engaging in certain potentially beneficial activities. In particular, among other covenants, the Credit Facility requires us to maintain a ratio of consolidated EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted for certain transaction-related items ("Consolidated EBITDA"), to consolidated interest expense and a ratio of consolidated net indebtedness to Consolidated EBITDA. The ratio of Consolidated EBITDA to consolidated interest expense must be at least 4.00 to 1.00, and the ratio of consolidated net indebtedness to Consolidated EBITDA must not exceed 3.25 to 1.00 (provided that we may, on not more than two occasions during the term of the Credit Facility, elect to increase such ratio to 3.75 to 1.00 for a period of six consecutive fiscal quarters in connection with and following certain significant acquisitions).

While neither the notes nor the indenture governing the notes includes similar covenants, our compliance with these covenants limits our management's discretion in operating our business and could prevent us from engaging in certain potentially beneficial activities.

***We may still be able to incur substantially more indebtedness. This could exacerbate the risks associated with our indebtedness under the notes.***

We may be able to incur substantial additional indebtedness in the future, including secured debt. The terms of the indenture governing the notes offered hereby will not prevent us or our subsidiaries from incurring indebtedness, and the Credit Agreements do not prevent us or our subsidiaries from incurring indebtedness, subject to certain restrictive covenants in the Credit Agreements. If we incur any additional indebtedness that ranks equally with the notes offered hereby and the obligations under the Credit Agreements, the holders of that indebtedness will be entitled to share ratably with the holders of the notes offered hereby in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you.

***The notes offered hereby will be unsecured and effectively subordinated to any future secured indebtedness and structurally subordinated to all of the liabilities of our subsidiaries.***

We do not currently have any secured indebtedness. The notes offered hereby will be general unsecured obligations ranking effectively junior in right of payment to any future secured indebtedness to the extent of the value of the collateral securing the indebtedness. Additionally, the indenture governing the notes offered hereby, as well as the Credit Agreements, will permit us to incur additional secured indebtedness in the future, subject to certain restrictive covenants in the Credit Agreements. In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, any secured indebtedness will be entitled to be paid from our assets securing such indebtedness before any payment may be made with respect to the notes offered hereby. Holders of the notes offered hereby will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same ranking as the notes (including the obligations under the Credit Agreements), and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets.

In addition, the notes will be structurally subordinated to all of the liabilities of our subsidiaries, which may include secured and unsecured indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations of our subsidiaries. In the event of a dissolution, winding up, liquidation, reorganization or other bankruptcy proceeding of any of our subsidiaries, holders of their indebtedness and their creditors will generally be entitled to payment of their claims in full from the assets of those subsidiaries before any assets of the subsidiaries are made available for distribution to us.

***The terms of the indenture and the notes provide only limited protection against significant corporate events that could adversely impact your investment in the notes.***

While the indenture and the notes contain terms intended to provide some protections to the holders of the notes upon the occurrence of certain events involving significant corporate transactions, such terms are limited and may not be sufficient to protect your investment in the notes.

The term “Change of Control Triggering Event” (as defined in “Description of Notes — Certain Covenants — Purchase of Notes Upon Change of Control Triggering Event”) does not cover a variety of transactions (such as acquisitions by us or recapitalizations) that could negatively affect the value of the notes. If we were to enter into a significant corporate transaction that would negatively affect the value of the notes but would not constitute a Change of Control Triggering Event, we would not be required to offer to repurchase your notes prior to their maturity.

Furthermore, the indenture governing the notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;

limit our ability to incur indebtedness that is equal in right of payment to the notes;

restrict our subsidiaries’ ability to issue securities or otherwise incur indebtedness that would be senior to our equity interests in our subsidiaries and therefore rank effectively senior to the notes;

limit the ability of our subsidiaries to service indebtedness;

restrict our ability to repurchase, redeem or prepay any other of our securities or other indebtedness; or

restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes.

As a result of the foregoing, when evaluating the terms of the notes, you should be aware that the terms of the notes and the indenture governing the notes do not restrict our ability to engage in, or to otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the notes.

***Upon certain Change of Control Triggering Events, we may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the notes, which would violate the terms of the notes.***

Upon the occurrence of specific kinds of Change of Control Triggering Events, holders of the notes of a series will have the right to require us to purchase all or any part of the notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase. We may not have sufficient financial resources available to satisfy all of our obligations under the notes in the event of a Change of Control Triggering Event. Our failure to purchase the notes as required under the terms of the notes would result in an event of default under the terms of the notes and may trigger a cross-acceleration under the Credit Agreements, each of which could have material adverse consequences for us and the holders of the notes. See “Description of Notes—Certain Covenants —Purchase of Notes Upon Change of Control Triggering Event.”

***Our credit ratings are subject to change and may not reflect the risks of investing in the notes.***

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing agency. Each agency’s rating should be evaluated independently of any other agency’s rating.

***Your ability to transfer the notes offered hereby will be limited by the absence of an active trading market.***

There is currently no established trading market for the notes. We do not intend to apply for listing or quotation of the notes on any securities exchange. The underwriters have advised us that they intend to make a market in the notes as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for the notes may not develop or, if developed, such a market may not continue. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price based on, and the liquidity of any market for the notes will be impacted by, a number of factors, including prevailing interest rates, the market for similar notes, our performance and financial condition, the number of holders of the notes, the interest of securities dealers in making a market in the notes, general economic conditions and other factors. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the

future, which could have an adverse effect on the market price of the notes and the liquidity of any market for the notes.

S-5

---

**USE OF PROCEEDS**

We estimate that the net proceeds from this offering will be approximately \$346.3 million, after deducting underwriting discounts and our estimated offering expenses. We intend to use the net proceeds from this offering (i) to repay a portion of the outstanding borrowings under our Credit Facility and (ii) for general corporate purposes.

The Credit Facility expires on June 28, 2022. As of February 28, 2019, borrowings of approximately \$350 million were outstanding under the revolving portion of the Credit Facility at a weighted average interest rate of approximately 3.34% per annum. On November 15, 2018, we borrowed approximately \$600 million under the Credit Facility in connection with our acquisition of The Hays Group, Inc.

Certain of the underwriters or their affiliates are lenders under the Credit Facility and will receive all or a portion of the net proceeds that we receive from this offering. For more information, see “Underwriting (Conflicts of Interest)—Conflicts of Interest.”

S-6

---

**CAPITALIZATION**

The following table sets forth our unaudited cash and cash equivalents and consolidated capitalization as of December 31, 2018:

on an actual basis; and

on an as adjusted basis to give effect to (i) \$346.3 million of net proceeds from this offering and (ii) the use of such net proceeds to repay \$346.3 million of borrowings outstanding under the Credit Facility.

You should read this table along with the selected consolidated financial data, "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for our year ended December 31, 2018 and incorporated by reference into this prospectus supplement, "Use of Proceeds" and our financial statements and related notes appearing elsewhere or incorporated by reference in this prospectus supplement or the accompanying prospectus.

	<b>As of December 31, 2018</b>	
	<b>Actual</b>	<b>Pro Forma as adjusted</b>
	<b>(in thousands, except per share amounts)</b>	
Cash and cash equivalents	\$ 438,961	\$ 438,961
Current portion of long-term debt:		
Current portion of unsecured term loan due 2022(1)	\$ 35,000	\$ 35,000
Current portion of term loan due 2023	15,000	15,000
Total current portion of long-term debt	50,000	50,000
Long-term debt, less current portion:		
Revolving credit facilities(2)	350,000	3,735
Unsecured term loan due 2022	330,000	330,000
Term loan due 2023	285,000	285,000
4.200% Senior Notes due 2024	499,101	499,101
Debt issuance costs	(7,111 )	(10,846 )
4.500% Senior Notes due 2029 offered hereby	—	350,000
Total long-term debt	1,456,990	1,456,990
Total debt	1,506,990	1,506,990
Common Stock, par value \$0.10 per share	29,338	29,338
Additional paid-in capital	615,180	615,180
Treasury stock, at cost	(477,572 )	(477,572 )
Retained Earnings	2,833,622	2,833,622
Net shareholders' equity	3,000,568	3,000,568
Total capitalization	\$ 4,507,558	\$ 4,507,558

(1) Consists of the unsecured term loans under the Credit Facility.

(2) Consists of the revolving portion of the Credit Facility.

S-7



**SELECTED CONSOLIDATED FINANCIAL DATA**

The following selected data are derived from our consolidated financial statements. The data should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section, the “Business” section and the consolidated financial statements and the related notes thereto contained in each of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 which is incorporated by reference in this prospectus supplement.

<i>(in thousands)</i>	<b>Year Ended December 31</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Income Statement Data</b>			
Total revenues	\$ 2,014,246	\$ 1,881,347	\$ 1,766,629
Total expenses	1,551,784	1,431,625	1,343,130
Income before income taxes	462,462	449,722	423,499
Income taxes	118,207	50,092	166,008
Net income	\$ 344,255	\$ 399,630	\$ 257,491
	<b>At December 31</b>		
<b>Balance Sheet Data (at period end)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total assets	6,688,668	5,747,550	5,262,734
Current portion of long term debt	50,000	120,000	55,500
Total debt	1,506,990	976,141	1,073,872
Total shareholders’ equity	3,000,568	2,582,699	2,360,211

---

## DESCRIPTION OF NOTES

The notes will be senior unsecured debt securities issued under an indenture dated as of September 18, 2014 (the “base indenture”) between us and U.S. Bank National Association, as trustee (the “trustee”), as supplemented by a supplemental indenture to be dated as of March 11, 2019 (the “supplemental indenture” and, together with the base indenture, the “indenture”). In this description, the terms “we,” “our” and “us” each refer to Brown & Brown, Inc. and not its subsidiaries.

We have summarized material provisions of the indenture and the notes below. This summary is not complete and may not describe all of the provisions of the indenture or the notes that may be important to you. For additional information, you should carefully read each of the form of indenture and the form of note that is attached as an exhibit to the registration statement of which this prospectus supplement is a part.

### General Terms of Notes

Interest and principal on the notes will be payable in U.S. dollars. The notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. There will be no sinking fund payments for the notes.

The security registrar and transfer agent for the notes will be the trustee until such time as a successor security registrar or transfer agent is appointed.

The notes will initially be limited to \$350,000,000 aggregate principal amount. However, the indenture does not limit the aggregate principal amount of the notes that we may issue under it. We may, without the consent of the noteholders, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes offered by this prospectus supplement (except for the issue date and public offering price); provided, however, such additional notes must be fungible with the notes offered by this prospectus supplement for U.S. federal income tax purposes. Any such additional notes will be a part of the series having the same terms as the notes and will be treated as a single class together with the notes for all purposes under the indenture, including waivers, amendments and redemptions. We may also issue other series of debt securities under the base indenture.

### Interest and Maturity

The notes will bear interest at 4.500% per year. Interest will be payable semi-annually in arrears on March 15 and September 15 of each year (each, an “interest payment date”), beginning September 15, 2019.

Interest on the notes will accrue from and including March 11, 2019, or from and including the most recent date to which interest has been paid, as the case may be, to but excluding the interest payment date or the maturity date, as the case may be. Interest on the notes will be paid to noteholders of record on the applicable record date, which is the March 1 or September 1 immediately preceding the applicable interest payment date.

Interest on the notes will be computed on the basis of a 360 day year of twelve 30 day months. If an interest payment date for the notes falls on a day that is not a business day, the interest payment shall be postponed to the next succeeding business day, and no interest on such payment shall accrue for the period from and after such interest payment date. It will be an event of default under the indenture if we fail to pay interest when due and such failure continues for 30 days. See “ Events of Default.”

The notes will mature on March 15, 2029. If the maturity date for the notes falls on a day that is not a business day, the principal of and interest on the notes shall be due on the next succeeding business day, and no interest on such payment shall accrue for the period from and after the maturity date.

The term “business day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

### Ranking

The notes will be our senior unsecured obligations, and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding. As of December 31, 2018, we had \$1,507.0 million of outstanding senior unsecured indebtedness for borrowed money, and our subsidiaries had no indebtedness for borrowed money outstanding. See

“Risk Factors – The notes offered hereby will be unsecured and effectively subordinated to any future secured indebtedness and structurally subordinated to all of the liabilities of our subsidiaries.”

There are no provisions in the indenture or the notes that explicitly limit our ability to incur additional indebtedness. Accordingly, we could in the future enter into transactions that could substantially increase the amount of our indebtedness outstanding at that time.

### **Optional Redemption**

The notes will be redeemable, in whole at any time or in part from time to time, at our option.

If the notes are redeemed prior to December 15, 2028 (the date that is three months prior to the stated maturity date for the notes), the redemption price for the notes to be redeemed will equal the greater of the following amounts, plus, in each case, accrued and unpaid interest thereon to but excluding the redemption date:

100% of the principal amount of the notes to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus 30 basis points.

If the notes are redeemed on or after December 15, 2028 (the date that is three months prior to the stated maturity date for the notes), the redemption price for the notes to be redeemed will equal 100% of the principal amount of such notes plus accrued and unpaid interest thereon to but excluding the redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by the Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term (as measured from the redemption date) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker is provided with fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us.

“Reference Treasury Dealer” means J.P. Morgan Securities LLC and its successors and Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors, or one or more Reference Treasury Dealers as we may specify from time to time; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer for the City of New York (each a “Primary Treasury Dealer”), we will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date, using the “business day” definition set forth above.

Notice of any redemption will be mailed at least 30 but not more than 60 days before the redemption date to each noteholder of record of the notes to be redeemed at its registered address. The notice of redemption for such notes will state, among other things, the amount of notes to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places where payment will be made upon presentation and surrender of the notes to be redeemed.

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

If less than all of the notes are to be redeemed at our option, the trustee will select, in a manner it deems fair and appropriate, the notes, or portions of the notes, to be redeemed.

Unless we default in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date.

We shall not be required (i) to issue, register the transfer of or exchange any notes during the period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of notes selected for redemption and ending at the close of business on the day of such mailing or (ii) to register the transfer or exchange of any notes so selected for redemption in whole or in part, except the unredeemed portion of any such notes being redeemed in part.

In addition to our right to redeem the notes as set forth above, we may at any time and from time to time purchase notes in open market transactions, tender offers and otherwise.

### **Certain Covenants**

Under the indenture, we agree to pay the interest, principal and any premium on the notes when due, and to maintain a place of payment. In addition, we must comply with the covenants described below.

#### ***Limitations on Liens on Stock of our Significant Subsidiaries***

The indenture prohibits us and our subsidiaries from directly or indirectly creating, assuming, incurring or permitting to exist any Indebtedness (as defined below) secured by any lien on the voting stock or voting equity interest of any significant subsidiary (as such term is defined under Regulation S-X) (each a "Significant Subsidiary") unless the notes then outstanding (and, if we so elect, any of our other Indebtedness that is not subordinate to the notes and with respect to which we are obligated to provide such security) are secured equally and ratably with such Indebtedness for so long as such Indebtedness is so secured.

"Indebtedness" is defined as the principal of and any premium and interest due on indebtedness of a person (as defined in the indenture), whether outstanding on the original date of issuance of the notes or thereafter created, incurred or assumed, which is (a) indebtedness for money borrowed, and (b) any amendments, renewals, extensions, modifications and refundings of any such indebtedness. For the purposes of this definition, "indebtedness for money borrowed" means (1) any obligation of, or any obligation guaranteed by, such person for the repayment of borrowed money, whether or not evidenced by bonds, debentures, notes or other written instruments, (2) any obligation of, or any obligation guaranteed by, such person evidenced by bonds, debentures, notes or similar written instruments, including obligations assumed or incurred in connection with the acquisition of property, assets or businesses (provided, however, that the deferred purchase price of any business or property or assets shall not be considered Indebtedness if the purchase price thereof is payable in full within 90 days from the date on which such indebtedness was created), and (3) any obligations of such person as lessee under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles as in effect as of the date of the supplemental indenture and leases of property or assets made as part of any sale and lease-back transaction to which such person is a party. For purposes of this covenant only, Indebtedness also includes any obligation of, or any obligation guaranteed by, any person for the payment of amounts due under a swap agreement or similar instrument or agreement, or under a foreign currency hedge or similar instrument or agreement. If we are required to secure any outstanding notes equally and ratably with other Indebtedness under this covenant, we will be required to document our compliance with the covenant and thereafter the trustee will be authorized to enter into a supplemental agreement or indenture and to take such action as it may deem advisable to enable it to enforce the rights of the noteholders of the outstanding notes so secured.

#### ***Consolidation, Amalgamation, Merger and Sale of Assets***

The indenture provides that we may consolidate with or merge or convert into, or convey, transfer or lease our properties or assets substantially as an entirety to, another person without the consent of any noteholders if, along with certain other conditions set forth in the indenture:

immediately after giving effect to such transaction, there is no event of default; and

the successor, acquiror or lessor of such assets expressly assumes all of our obligations under the indenture and the notes and succeeds to all of our rights and powers under the indenture.

Thereafter, except in the case of a lease, the predecessor or transferor of such assets will be relieved of all obligations and covenants under the relevant indenture and the notes.

*Purchase of Notes Upon a Change of Control Triggering Event*

If a Change of Control Triggering Event occurs, unless we have exercised our right to redeem the Notes as described above under the heading “—Optional Redemption,” we will make an offer to each noteholder to repurchase all or any part (in excess of \$2,000 and in integral multiples of \$1,000 principal amount) of that noteholder’s notes at a repurchase price in cash equal to 101% of the aggregate principal amount of notes repurchased, plus any accrued and unpaid interest on the notes repurchased to the date of repurchase. Within 30 days following any Change of Control Triggering Event or, at our option, prior to any Change of Control, but after the public announcement of the pending Change of Control, we will mail a notice to each noteholder describing the transaction or transactions that constitute or may constitute the Change of Control Triggering Event and offering to repurchase notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to repurchase is conditioned on the Change of Control Triggering Event occurring on or prior to the payment date specified in the notice.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Triggering Event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Triggering Event provisions of the notes by virtue of such conflict.

On the Change of Control Triggering Event payment date, we will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to our offer;

deposit with the payment agent an amount equal to the aggregate purchase price in respect of all notes or portions of notes properly tendered;  
(2) and

deliver or cause to be delivered to the trustee, the notes properly accepted, together with an officers’ certificate stating the aggregate principal  
(3) amount of notes being purchased by us.

The paying agent will promptly pay, from funds deposited by us for such purpose, to each noteholder properly tendered, the purchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each noteholder a new note equal in principal amount to any unpurchased portion of any notes surrendered.

We will not be required to make an offer to repurchase the notes upon a Change of Control Triggering Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all notes properly tendered and not withdrawn under its offer.

Set forth below are certain of the defined terms used herein.

“Change of Control” means the occurrence of any of the following:

the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of us and our subsidiaries taken as a whole to any Person (including any “person” (as (1) that term is used in Section 13(d)(3) of the Exchange Act)) other than to us or one of our subsidiaries;

the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any Person (including any “person” (as that term is used in Section 13(d)(3) of the Exchange Act)) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding Voting Stock, measured by voting  
(2) power rather than number of shares; or

(3) the adoption of a plan relating to our liquidation or dissolution.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Ratings Decline.

“Investment Grade” means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating categories of Moody’s) and BBB- or better by S&P (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate the notes for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

“Moody’s” means Moody’s Investors Service Inc. and any successor to its rating agency business.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Rating Agency” means:

(1) each of Moody’s and S&P; and

if either of Moody’s or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, any other “nationally recognized statistical rating organization” registered under Rule 15E under the Exchange Act selected by

(2) us as a replacement agency for Moody’s or S&P, or both, as the case may be.

“Ratings Decline” means at any time during the period commencing on the earlier of, (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or the intention by the Company to effect a Change of Control, and ending 60 days thereafter (which period shall be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) that (a) the rating of the notes shall be reduced by both Rating Agencies and (b) the notes shall be rated below Investment Grade by each of the Rating Agencies.

“S&P” means Standard & Poor’s Financial Services LLC and any successor to its rating agency business.

“Voting Stock” of any specified Person as of any date means the capital stock of such Person the holders of which are at the time entitled to vote generally in the election of the board of directors or similar governing body of such Person.

### *Provision of Compliance Certificate*

We are required under the indenture to deliver to the trustee within 120 days after the end of each fiscal year an officer’s certificate certifying as to our compliance with all conditions and covenants under the relevant indenture, or if we are not in compliance, identifying and describing the nature and status of such non-compliance.

### **Events of Default**

The following events will constitute an event of default under the indenture with respect to the notes (whatever the reason for such event of default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

we fail to pay interest on the notes when due and such failure continues for 30 days, unless the time for payment has been properly extended or deferred in accordance with the terms of the notes;

we fail to pay the principal of, or any premium on, the notes when due, unless the maturity has been properly extended in accordance with the terms of the notes;

we fail to observe or perform any other covenant or agreement contained in the notes or the indenture, and such failure continues for 90 days after we receive a notice of default from the trustee or from noteholders of at least 25% in aggregate principal amount of the outstanding notes;

a default under any Indebtedness by us or any of our subsidiaries that results in the acceleration of the maturity of such Indebtedness, or failure to pay any such Indebtedness at maturity, in an aggregate amount greater than \$50,000,000 or its foreign currency equivalent at the time, provided that the cure of such default shall remedy such Event of Default with respect to the notes; and

certain events of bankruptcy or insolvency, whether voluntary or not.

If an event of default with respect to the notes (other than an event of default resulting from certain events of bankruptcy or insolvency) occurs and is continuing, the trustee or the noteholders of at least 25% in aggregate principal amount of the outstanding notes may declare the principal of all notes, plus accrued and unpaid interest to the date of acceleration, immediately due and payable. Upon an event of default resulting from certain events of bankruptcy or insolvency, the principal of all notes, plus accrued and unpaid interest to the date of acceleration, shall be immediately due and payable.

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

The noteholders of a majority in principal amount of the outstanding notes may waive any default or event of default with respect to such notes and its consequences under the indenture except a continuing default or event of default in the payment of interest or any premium on, or the principal of, the notes.

If an event of default occurs and is continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture unless the noteholders have offered the trustee reasonable indemnity satisfactory to the trustee against the costs, expenses and liabilities that it might incur. The noteholders of a majority in principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee with respect to the notes, provided that:

such direction is not in conflict with any law or the applicable indenture; and

unless otherwise provided under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), the trustee need not take any action that might involve it in personal liability.

A noteholder will only have the right to institute a proceeding under the indenture or to appoint a receiver or trustee, or to seek other remedies, if:

the noteholder has given written notice to the trustee of a continuing event of default;

the noteholders of at least 25% in aggregate principal amount of the outstanding notes have made written request to the trustee to institute proceedings as trustee;

such noteholders have offered the trustee such reasonable indemnity as the trustee may require to cover the cost of the proceedings; and

the trustee does not institute a proceeding, and does not receive conflicting directions from a majority in principal amount of the outstanding notes within 60 days of receiving the written notice of an event of default.

### **Modification of Indenture; Waiver**

Without the consent of any noteholders, we and the trustee may modify or amend the indenture with respect to the notes to:

fix any ambiguity, defect or inconsistency in the indenture;

effect the assumption of a successor corporation of our obligations under the indenture and the outstanding notes;

add to our covenants for the benefit of the noteholders or surrender any right or power we have under the indenture;

change anything that does not materially adversely affect the interests of any noteholder;

conform the indenture or the terms of the notes to any terms set forth in this prospectus supplement or the accompanying prospectus;

effect or maintain the qualification of the indenture under the Trust Indenture Act;

provide for the issuance of additional notes in accordance with the limitations set forth in the indenture;

evidence and provide for the acceptance of appointment under the indenture by a successor trustee; and

effect certain other limited purposes described in the indenture.

We and the trustee may modify or amend the indenture with the written consent of the noteholders of a majority of the aggregate principal amount of the outstanding notes then outstanding under the indenture; provided, however, that no such modification or amendment may, without the consent of each noteholder affected by the change:

extend the fixed maturity;

S-14

---

reduce the principal amount;

reduce the rate of or extend the time of payment of interest;

reduce any premium payable upon redemption; or

reduce the percentage of notes referred to above, the noteholders of which are required to consent to any amendment.

#### **No Personal Liability of Directors, Officers, Employees and Shareholders**

None of our directors, officers, employees, incorporators or shareholders, as such, will have any liability for any of our obligations under the notes or the indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each noteholder by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws.

#### **Discharge, Defeasance and Covenant Defeasance**

##### *Defeasance and Discharge*

We may discharge any and all obligations in respect of the notes (except for certain obligations to register the transfer or exchange of notes, to replace stolen, destroyed, lost or mutilated notes, to maintain paying agencies, to execute and furnish definitive securities evidenced by temporary securities, to return moneys deposited with or paid to the trustee or any paying agent remaining unclaimed for three years, to compensate and indemnify the trustee or to furnish such trustee (if that trustee is not the registrar) with the names and addresses of noteholders). This discharge, referred to as defeasance, will occur only if, among other things:

we irrevocably deposit with the trustee, in trust, money or securities of the United States government or securities of agencies backed by the full faith and credit of the United States government, which will provide, in the opinion of a nationally recognized public accounting firm, enough money to pay each installment of principal of, and any premium and interest on, the notes on the applicable due dates for those payments in accordance with the terms of the notes; and

we deliver to the trustee an opinion of counsel confirming that (i) we have received from, or there has been published by, the United States Internal Revenue Service a ruling or (ii) since the date of execution of the indenture, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon, the noteholders will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and will be subject to United States federal income tax on the same amounts and in the same manner and at the same times as would have been the case if the discharge had not occurred.

In addition, we may also obtain a discharge of the indenture with respect to all debt securities issued under the indenture by depositing with the trustee, in trust, enough money to pay all amounts due on the debt securities on the date those payments are due or upon redemption of all of those debt securities, so long as those debt securities are by their terms to become due and payable within one year or are to be called for redemption within one year.

##### *Defeasance of Certain Covenants and Certain Events of Default*

Upon compliance with certain conditions:

we may omit to comply with any provision of the indenture (except for certain obligations to register the transfer or exchange of notes, to replace stolen, destroyed, lost or mutilated notes, to maintain paying agencies, to execute and furnish definitive securities evidenced by temporary securities, to return moneys deposited with or paid to the trustee or any paying agent on any note and not applied to payments on the notes but remaining unclaimed for three years, to punctually pay the principal of and any premium or interest on the notes, to deliver to the trustee an annual statement as to default, to adhere to the covenants with respect to payment on the notes on default, to adhere to the resignation or removal procedures regarding the trustee, to compensate and indemnify the trustee or to furnish the trustee (if that trustee is not the registrar) with the names and addresses of noteholders), including the covenant described under “—Consolidation, Amalgamation, Merger and Sale of Assets”; and

S-15

---



any omission to comply with those covenants will not constitute an event of default with respect to the notes (“covenant defeasance”).

The conditions include, among other things:

irrevocably depositing with the trustee, in trust, money and/or securities of the United States government or securities of agencies backed by the full faith and credit of the United States government, which, through the payment of interest and principal in accordance with their terms, will provide, in the opinion of a nationally recognized public accounting firm, enough money to pay each installment of principal of, and any premium and interest on, the notes on the applicable due dates for those payments in accordance with the terms of the notes; and

delivering to the trustee an opinion of counsel to the effect that the noteholders will not recognize income, gain or loss for United States federal income tax purposes as a result of the covenant defeasance and will be subject to United States federal income tax on the same amounts and in the same manner and at the same times as would have been the case if the covenant defeasance had not occurred.

***Covenant Defeasance and Certain Other Events of Default***

If we exercise the option to effect a covenant defeasance with respect to the notes as described above and the notes are thereafter declared due and payable because of an event of default (other than an event of default caused by failing to comply with the covenants that are defeased), the amount of money and securities we have deposited with the trustee would be sufficient to pay amounts due on the notes on their respective due dates but may not be sufficient to pay amounts due on the notes at the time of acceleration resulting from that event of default. However, we would remain liable for any shortfall.

**Global Clearance and Settlement Procedures**

We will issue the notes in the form of one or more fully registered global notes (the “Global Notes”). Investors in the Global Notes may hold a beneficial interest in such Global Notes through The Depository Trust Company (“DTC”), Clearstream Banking, S.A. (“Clearstream”) or the Euroclear System (“Euroclear”) or through participants. The notes may be traded as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle as set forth below.

Clearstream has advised that it is incorporated under the laws of the Grand Duchy of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations (“Clearstream Participants”). Clearstream facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, eliminating the need for physical movement of certificates. Clearstream provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (CSSF). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions, to the extent received by the U.S. Depository (as defined below) for Clearstream, with respect to the notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures.

Euroclear has advised that it was created in 1968 to hold securities for its participants (“Euroclear Participants”) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and eliminating any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank SA/ NV (the “Euroclear Operator”), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

The Euroclear Operator has advised us that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking and Finance Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

Distributions, to the extent received by the U.S. Depository for Euroclear, with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions.

Individual certificates in respect of notes will not be issued in exchange for the Global Notes, except in very limited circumstances, including those instances that follow: if DTC notifies us that it is unwilling or unable to continue as a clearing system in connection with a Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, and in each case we do not appoint a successor clearing system within 90 days after receiving such notice from Euroclear, Clearstream or DTC or on becoming aware that DTC is no longer so registered, we will issue or cause to be issued individual certificates in registered form on registration of transfer of or in exchange for book-entry interests in the notes represented by such Global Note upon delivery of such Global Note for cancellation.

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfers of book-entry interests in the notes between Euroclear and Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

### ***Initial Settlement***

All Global Notes will be registered in the name of Cede & Co. as nominee of DTC. Investors’ interests in the Global Notes will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Clearstream and Euroclear will hold positions on behalf of their participants through their respective U.S. depositories (each, a “U.S. Depository”), which in turn will hold such positions in accounts as participants of DTC.

Notes held through DTC will be settled in immediately available funds. Investor securities custody accounts will be credited with their holdings against payment on the settlement date. Notes held through Clearstream or Euroclear accounts will follow the settlement procedures applicable to conventional eurobonds, except that there will be no temporary global security and no “lock-up” or restricted period. Notes will be credited to the securities custody accounts on the settlement date against payment.

### ***Secondary Market Trading***

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date.

*Trading between DTC Participants.* Secondary market trading between DTC participants will be settled in immediately available funds.

*Trading between Clearstream and/or Euroclear Participants.* Secondary market trading between Clearstream participants and/or Euroclear participants will be settled using the procedures applicable to conventional eurobonds.

*Trading between DTC Seller and Clearstream or Euroclear Purchaser.* When beneficial interests in the Global Notes are to be transferred from the account of a DTC participant to the account of a Clearstream participant or a Euroclear participant, the purchaser will send instructions to Clearstream or Euroclear through a participant at least one business day prior to settlement. Clearstream or Euroclear will instruct the U.S. Depository, as the case may be, to receive a beneficial interest in the Global Notes against payment. Unless otherwise set forth in this prospectus supplement, payment will include interest accrued on the beneficial interest in the Global Notes so transferred from and including the last interest payment date to and excluding the settlement date, on the basis on which interest is calculated on the notes. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made by the U.S. Depository to the DTC participant's account against delivery of the beneficial interest in the Global Notes. After settlement has been completed, the beneficial interest in the Global Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Clearstream or Euroclear participant's account. The securities credit will appear the next day (European time) and the cash debit will be back-valued to, and interest on the beneficial interest in the Global Notes will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (that is, the trade fails), the Clearstream or Euroclear cash debit will be valued instead as of the actual settlement date.

Clearstream participants and Euroclear participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Clearstream or Euroclear. Under this approach, they may take on credit exposure to Clearstream or Euroclear until the beneficial interests in the Global Notes are credited to their accounts one day later.

As an alternative, if Clearstream or Euroclear has extended a line of credit to them, participants can elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Clearstream participants or Euroclear participants purchasing a beneficial interest in the Global Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the beneficial interests in the Global Notes were credited to their accounts. However, interest on the beneficial interests in the Global Notes would accrue from the value date. Therefore, in many cases the investment income on the Global Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC participants can employ their usual procedures for sending a beneficial interest in the Global Notes to the U.S. Depository for the benefit of Clearstream participants or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant a cross-market transaction will settle no differently than a trade between two DTC participants.

*Trading between Clearstream or Euroclear Seller and DTC Purchaser.* Due to time zone differences in their favor, Clearstream and Euroclear participants may employ their customary procedures in transactions in which a beneficial interest in the Global Notes is to be transferred by the respective clearing system, through the U.S. Depository, to a DTC participant. The seller will send instructions to Clearstream or Euroclear through a participant at least one business day prior to settlement. In these cases, Clearstream or Euroclear will instruct the U.S. Depository, as appropriate, to deliver the beneficial interest in the Global Notes to the DTC participant's account against payment. Payment will include interest accrued on the beneficial interest in the Global Notes from and including the last coupon payment date to and excluding the settlement date on the basis on which interest is calculated on the Global Notes. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. The payment will then be reflected in the account of the Clearstream or Euroclear participant the following day, and receipt of the cash proceeds in the Clearstream or Euroclear participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Clearstream or Euroclear participant have a line of credit with its respective clearing system and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (that is, the trade fails), receipt of the cash proceeds in the Clearstream or Euroclear participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Clearstream or Euroclear and that purchase beneficial interests in the Global Notes from DTC participants for credit to Clearstream participants or Euroclear participants should note that these trades would automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

borrowing through Clearstream or Euroclear for one day (until the purchase side of the day trade is reflected in their Clearstream or Euroclear accounts) in accordance with the clearing system's customary procedures;

borrowing beneficial interests in the Global Notes in the United States from a DTC participant no later than one day prior to settlement, which would give beneficial interests in the Global Notes sufficient time to be reflected in the appropriate Clearstream or Euroclear account in order to settle the sale side of the trade; or

staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Clearstream participant or Euroclear participant. Although DTC, Clearstream, and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Notes among participants of DTC, Clearstream, and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

**Applicable Law**

The notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.

**Additional Terms**

For additional important information about the notes, see “Description of Debt Securities” in the accompanying prospectus. That information includes:

additional information on the terms of the notes; and

general information on the indenture and the trustee.

To the extent any information about the notes varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

**CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

This section describes the material United States federal income tax and certain estate tax consequences of owning the notes we are offering. It applies to you only if you acquire notes in the offering at a price equal to the issue price of the notes (generally the first price at which a substantial amount of the notes is sold for cash other than to bond houses, brokers or similar persons or organizations acting in the capacity of initial purchasers, placement agents or wholesalers) and you hold your notes as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as, but not limited to:

- a dealer in securities,
  - a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
  - a bank or other financial institution,
  - an insurance company,
  - a tax-exempt organization,
  - a person that owns notes that are a hedge or that are hedged against interest rate risks,
  - a person that owns notes as part of a straddle or conversion transaction for tax purposes,
  - a person that purchases or sells notes as part of a wash sale for tax purposes,
  - an accrual method taxpayer that is required to recognize income for United States federal income tax purposes no later than when such income is taken into account in applicable financial statements, or
  - a United States Holder (as defined below) whose functional currency for tax purposes is not the United States dollar.
- If you purchase notes at a price other than the issue price, the amortizable bond premium or market discount rules may also apply to you. You should consult your tax advisor regarding this possibility.

This section is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis, or may be subject to different interpretations.

If a partnership holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the notes.

*Please consult your own tax advisor concerning the consequences of owning these notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.*

**Additional Payments.** In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the notes. We have no present intention to engage in a transaction involving a Change of Control, and therefore, we believe that the likelihood that we will be obligated to make any such payments as a result of a contingency described under “Description of Notes—Repurchase upon Change of Control Repurchase Event” is remote. Accordingly, we do not intend to treat the potential payment of these amounts as subjecting the notes to the provisions of the United States Treasury regulations relating to “contingent payment debt instruments.” Our determination is binding on you, unless you disclose a contrary position in a statement attached to your timely filed United States federal income tax return for the taxable year during which the notes were acquired. Our determination is not, however, binding on the Internal Revenue Service (“IRS”), and if the IRS were to challenge this determination, the tax consequences to you could differ from those discussed herein. For example, if the notes are treated as contingent payment debt instruments, any gain on sale or other disposition of the notes would be treated as ordinary income rather than capital gain. The remainder of this disclosure assumes that the notes will not be treated as contingent payment debt instruments for United States federal income tax purposes.

**Original Issue Discount.** The following discussion assumes that the notes will not be issued with more than a de minimis amount of original issue discount (“OID”). If the issue price of a note is less than its stated redemption price at maturity (generally, its principal amount) by more than

a de minimis amount, you will be subject to special United States federal income tax rules with respect to this OID. OID will be considered *de minimis* if it is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity from the issue date of the notes. If the notes are issued with more than a *de minimis* amount of OID, unless an exception applies, you will be required to include such OID in income for United States federal income tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, even though the cash attributable to this income will not be received until a note is sold, exchanged, redeemed or otherwise disposed.

S-20

---

### United States Holders

This subsection describes the tax consequences to a United States Holder. You are a “United States Holder” if you are a beneficial owner of a note and you are:

an individual who is a citizen or resident of the United States,

a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia,

an estate whose income is subject to United States federal income tax regardless of its source, or

a trust (i) if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust or (ii) that has a valid election in place under applicable United States Treasury regulations to be treated as a United States person for United States federal income tax purposes.

If you are not a United States Holder, this subsection does not apply to you and you should refer to “United States Alien Holders” below.

**Payments of Interest.** You will be taxed on interest on your note as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

**Sale, Retirement or Other Taxable Disposition of a Note.** You will generally recognize capital gain or loss on the sale, retirement or other taxable disposition of your note equal to the difference between the amount you realize on the sale or retirement, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments as described above under “—Payments of Interest”), and your tax basis in your note. Your tax basis in your note generally will be the amount you paid for the note. Capital gain of certain non-corporate United States Holders (including individuals) is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations.

**Medicare Tax.** A United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax (the “Medicare tax”) on the lesser of (1) the United States Holder’s “net investment income” (or “undistributed net investment income” in the case of an estate or trust) for the relevant taxable year and (2) the excess of the United States Holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000, depending on the individual’s circumstances). A holder’s net investment income generally includes its interest income and its net gains from the disposition of notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States Holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the notes.

### United States Alien Holders

This subsection describes the tax consequences to a United States Alien Holder. You are a “United States Alien Holder” if you are the beneficial owner of a note and you are not classified as a partnership for U.S. federal income tax purposes and you are not a United States Holder.

If you are a United States Holder, this subsection does not apply to you.

Under United States federal income and estate tax law, and subject to the discussions of FATCA withholding and backup withholding below, if you are a United States Alien Holder of a note:

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

**Payments of Interest.** We and other United States payors generally would not be required to deduct United States withholding tax from payments of interest to you if:

- (1) you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote,
- (2) you are not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership, and
- (3) if the United States payor does not have actual knowledge or reason to know that you are a United States person, and
  - (a) you have furnished to the United States payor an IRS Form W-8BEN or W-8BEN-E or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-United States person,
  - (b) in the case of payments made by the United States payor to you at an offshore account (generally, an account maintained by you at a bank or other financial institution at any location outside the United States), you have furnished to the United States payor documentation that establishes your identity and your status as the beneficial owner of the payment for United States federal income tax purposes and as a non-United States person,
  - (c) the United States payor has received a withholding certificate (furnished on an appropriate IRS Form W-8 or an acceptable substitute form) from a person claiming to be:
    - (i) a withholding foreign partnership (generally a foreign partnership that has entered into an agreement with the IRS to assume primary withholding responsibility with respect to distributions and guaranteed payments it makes to its partners),
    - (ii) a qualified intermediary (generally a non-United States financial institution or clearing organization or a non-United States branch or office of a United States financial institution or clearing organization that is a party to a withholding agreement with the IRS), or
    - (iii) a United States branch of a non-United States bank or of a non-United States insurance company, and
    - (iv) in each case, the withholding foreign partnership, qualified intermediary or United States branch has received documentation upon which it may rely to treat the payment as made to a non-United States person that is, for United States federal income tax purposes, the beneficial owner of the payment on the notes in accordance with United States Treasury regulations (or, in the case of a qualified intermediary, in accordance with its agreement with the IRS),
  - (d) the United States payor receives a statement from a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (i) certifying to the United States payor under penalties of perjury that an IRS Form W-8BEN or W8BEN-E or an acceptable substitute form has been received from you by it or by a similar financial institution between it and you and (ii) to which is attached a copy of the IRS Form W-8BEN or W8BEN-E or acceptable substitute form, or
  - (e) the United States payor otherwise possesses documentation upon which it may rely to treat the payment as made to a non-United States person that is, for United States federal income tax purposes, the beneficial owner of the payments on the notes in accordance with United States Treasury regulations.

If you cannot satisfy the requirements described above, payments of interest will be subject to United States federal withholding at a rate of 30% unless you provide the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or other acceptable substitute form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or the interest is effectively connected with the conduct of a trade or business in the United States and you satisfy the certification requirements described below under “—Income or Gain Effectively Connected with a United States Trade or Business.”



**Sale or Retirement of a Note.** Except with respect to accrued but unpaid interest, which will be subject to the rules described above under “—Payments of Interest,” no deduction for any United States federal withholding tax would be made from any gain that you realize on the sale or retirement or other disposition of your note, unless (i) such gain is effectively connected with your conduct of a trade or business in the United States and, if an income tax treaty applies, is attributable to a permanent establishment maintained by you in the United States, in which case, you will be subject to United States federal income tax in the manner described below under “—Income or Gain Effectively Connected with a United States Trade or Business” or (ii) you are an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, in which case, you will be subject to a 30% (or lower applicable income tax treaty rate) United States federal income tax on the gain derived from the sale or retirement, which may be offset by certain United States source capital losses.

**Income or Gain Effectively Connected with a United States Trade or Business.** If you are engaged in a trade or business in the United States, and if interest on your note, or gain realized on the sale or retirement of your note is effectively connected with the conduct of such trade or business, you generally will be subject to regular United States federal income tax on such income or gain in the same manner as if you were a United States Holder. If you are eligible for the benefits of an income tax treaty between the United States and your country of residence, any “effectively connected” income or gain generally will be subject to United States federal income tax only if it is also attributable to a permanent establishment maintained by you in the United States. Payments of interest that are effectively connected with a United States trade or business (and, if an income tax treaty applies, attributable to a permanent establishment), and therefore included in your gross income, will not be subject to the 30% withholding, provided that you claim exemption from withholding by providing the United States payor with a properly completed IRS Form W-8ECI. In addition, if you are a foreign corporation, you may also be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable income tax treaty) of your effectively connected earnings and profits for the taxable year, subject to certain adjustments.

**Estate Tax.** Further, a note held by an individual who at death is not a citizen or resident of the United States would not be includible in the individual’s gross estate for United States federal estate tax purposes if:

the decedent did not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote at the time of death, and

the income on the note would not have been effectively connected with a United States trade or business of the decedent at the same time.

#### **FATCA Withholding**

Pursuant to Sections 1471 through 1474 of the Code, commonly known as the Foreign Account Tax Compliance Act (“FATCA”), a 30% withholding tax (“FATCA withholding”) may be imposed on payments of interest to you or to certain foreign financial institutions, investment funds and other non-United States persons receiving payments of interest on your behalf if you or such persons fail to comply with certain information reporting requirements. Payments of interest that you receive in respect of the notes could be affected by this withholding if you are subject to the FATCA information reporting requirements and fail to comply with them or if you hold notes through a non-United States person (e.g., a foreign bank or broker) that fails to comply with these requirements (even if payments to you would not otherwise have been subject to FATCA withholding). You should consult your own tax advisors regarding the relevant United States law and other official guidance on FATCA withholding.

We will not pay any additional amounts in respect of FATCA withholding, so if this withholding applies, you will receive significantly less than the amount that you would have otherwise received with respect to your notes. Depending on your circumstances, you may be entitled to a refund or credit in respect of some or all of this withholding. However, even if you are entitled to have any such withholding refunded, the required procedures could be cumbersome and significantly delay your receipt of any amounts withheld.

#### **Backup Withholding and Information Reporting**

If you are a non-corporate United States Holder, information reporting requirements, on IRS Form 1099, generally would apply to payments of principal and interest on a note within the United States, and the payment of proceeds to you from the sale of a note effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

## Edgar Filing: BROWN & BROWN, INC. - Form 424B2

If you are a United States Alien Holder, you are generally exempt from backup withholding and information reporting requirements with respect to payments of principal and interest made to you outside the United States by the United States payor. You are also generally exempt from backup withholding and information reporting requirements in respect of payments of principal and interest made within the United States and the payment of the proceeds from the sale of a note effected at a United States office of a broker, as long as either: (i) the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-United States person, or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of a note effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if: (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by timely filing a refund claim with the IRS.

S-24

---

**UNDERWRITING (CONFLICTS OF INTEREST)**

J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and SunTrust Robinson Humphrey, Inc. are acting as joint book-running managers of the offering and are acting as representatives of the several underwriters named below.

Subject to the terms and conditions contained in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite such underwriter's name.

<b>Underwriter</b>	<b>Principal amount of notes</b>
J.P. Morgan Securities LLC	\$101,500,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	78,750,000
SunTrust Robinson Humphrey, Inc.	78,750,000
BMO Capital Markets Corp.	17,500,000
RBC Capital Markets, LLC	17,500,000
U.S. Bancorp Investments, Inc.	